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INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

領航醫藥及生物科技有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 399)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

THE SUBSCRIPTIONS

On 15 July 2025 (after trading hours), the Company entered into Subscription Agreement A with Subscriber A, pursuant to which Subscriber A has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 60,000,000 Shares at Subscription Price A of HK\$0.312 per Subscription Share A. Subscription Shares A will be allotted and issued pursuant to the General Mandate.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, Subscription Shares A represent (i) approximately 3.00% of the existing entire issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.92% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares.

On 15 July 2025 (after trading hours), the Company entered into Subscription Agreement B with Subscriber B, pursuant to which Subscriber B has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 30,000,000 Shares at Subscription Price B of HK\$0.312 per Subscription Share B. Subscription Shares B will be allotted and issued pursuant to the General Mandate.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, Subscription Shares B represent (i) approximately 1.50% of the existing entire issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.48% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

The gross proceeds and net proceeds from the Subscriptions will be approximately HK\$28,080,000 and HK\$27,780,000 respectively, and are intended to be used for the general working capital of the Group.

Completion is subject to fulfillment of the conditions precedent under the Subscription Agreements as set out in this announcement. Accordingly, the Subscriptions may or may not proceed. Holders of securities of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

INTRODUCTION

On 15 July 2025 (after trading hours), the Company entered into Subscription Agreement A with Subscriber A, pursuant to which Subscriber A has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 60,000,000 Shares at Subscription Price A of HK\$0.312 per Subscription Share A. Subscription Share A will be allotted and issued pursuant to the General Mandate.

On 15 July 2025 (after trading hours), the Company entered into Subscription Agreement B with Subscriber B, pursuant to which Subscriber B has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 30,000,000 Shares at Subscription Price B of HK\$0.312 per Subscription Share B. Subscription Share B will be allotted and issued pursuant to the General Mandate.

SUBSCRIPTION AGREEMENT A

The principal terms of Subscription Agreement A are set out below.

Date: 15 July 2025

Parties: (i) the Company, as the issuer; and
(ii) Zhang Biaobing, as Subscriber A

Number of Subscription Shares: 60,000,000

Subscription Price A: HK\$0.312 per Subscription Share A

Subscriber A

Subscriber A is a professional investor and is engaged in investments to achieve medium to long-term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the PRC.

As at the date of this announcement, Subscriber A holds 2,795,000 Shares. Save as disclosed as aforesaid, to the best of the Directors' knowledge information and belief, having made all reasonable enquiries, Subscriber A is an Independent Third Party. Upon Completion, Subscriber A will hold approximately 3.05% of the total number of issued Shares and shall not become a substantial shareholder (as defined under the Listing Rules) of the Company.

Subscription Shares A

Pursuant to the terms of Subscription Agreement A, Subscriber A has conditionally agreed to subscribe for, and the Company has agreed to allot and issue 60,000,000 Subscription Shares A at HK\$0.312 per Subscription Share A, representing:

- (i) approximately 3.00% of the existing entire issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 2.92% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Upon Completion, Subscriber A will not become a substantial shareholder (as defined in the Listing Rules).

Subscription Price A

Subscription Price A represents:

- (i) a discount of approximately 20% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on 15 July 2025, being the date of Subscription Agreement A; and
- (ii) a premium of approximately 22.83% to the average closing price per Share of HK\$0.254 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of Subscription Agreement A.

The market value of Subscription Shares A is approximately HK\$23,400,000, based on the closing price of HK\$0.39 per Share as at the date of Subscription Agreement A.

The aggregate nominal value of Subscription Shares A is HK\$600,000.

Subscription Price A was negotiated on an arm's length basis between the Company and Subscriber A with reference to the current market conditions, prevailing market price and recent trading volume of the Shares.

The gross proceeds from Subscription A will be approximately HK\$18,720,000. The net proceeds from Subscription A, after deduction of the relevant expenses, will amount to approximately HK\$18,520,000, representing a net subscription price of approximately HK\$0.309 per Subscription Share A.

Ranking of Subscription Shares A

Subscription Shares A, when allotted and issued, shall rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of Subscription Shares A.

Conditions precedent

Completion of Subscription A is conditional upon the Company having obtained the listing approval issued by the Stock Exchange in connection with the listing of and permission to deal in Subscription Shares A.

If the foregoing condition is not fulfilled by 5:00 p.m. on 5 August 2025, or such other time and date as may be agreed by Subscriber A and the Company in writing, all rights, obligations and liabilities of Subscriber A and the Company under Subscription Agreement A shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the terms thereof.

Completion

Completion of Subscription A shall take place at 5:00 p.m. on a date within five Business Days (or such other date and time as may be agreed by the Company and Subscriber A) after the satisfaction of the condition precedent of Subscription Agreement A.

SUBSCRIPTION AGREEMENT B

The principal terms of Subscription Agreement B are set out below.

Date: 15 July 2025

Parties: (i) the Company, as the issuer; and
(ii) Chen Jing, as Subscriber B

Number of Subscription Shares: 30,000,000

Subscription Price B: HK\$0.312 per Subscription Share B

Subscriber B

Subscriber B is a professional investor and is engaged in investments to achieve medium to long-term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, Subscriber B is an Independent Third Party. As at the date of this announcement, Subscriber B does not have any interest in the Shares. Upon Completion, Subscriber B will hold approximately 1.48% of the total number of issued Shares and shall not become a substantial shareholder (as defined under the Listing Rules) of the Company.

Subscription Shares B

Pursuant to the terms of Subscription Agreement B, Subscriber B has conditionally agreed to subscribe for, and the Company has agreed to allot and issue 30,000,000 Subscription Shares B at HK\$0.312 per Subscription Share B, representing:

- (i) approximately 1.50% of the existing entire issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 1.48% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Upon Completion, Subscriber B will not become a substantial shareholder (as defined in the Listing Rules).

Subscription Price B

Subscription Price B represents:

- (i) a discount of approximately 20% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on 15 July 2025, being the date of Subscription Agreement B; and
- (ii) a premium to approximately 22.83% to the average closing price per Share of HK\$0.254 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of Subscription Agreement B.

The market value of Subscription Shares B is approximately HK\$11,700,000, based on the closing price of HK\$0.39 per Share as at the date of Subscription Agreement B.

The aggregate nominal value of Subscription Shares B is HK\$300,000.

Subscription Price B was negotiated on an arm's length basis between the Company and Subscriber B with reference to the current market conditions, prevailing market price and recent trading volume of the Shares.

The gross proceeds from Subscription B will be approximately HK\$9,360,000. The net proceeds from Subscription B, after deduction of the relevant expenses, will amount to approximately HK\$9,260,000, representing a net subscription price of approximately HK\$0.309 per Subscription Share B.

Ranking of Subscription Shares B

Subscription Shares B, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of Subscription Shares B.

Conditions precedent

Completion of Subscription B is conditional upon the Company having obtained the listing approval issued by the Stock Exchange in connection with the listing of and permission to deal in Subscription Shares B.

If the foregoing condition is not fulfilled by 5:00 p.m. on 5 August 2025, or such other time and date as may be agreed by Subscriber B and the Company in writing, all rights, obligations and liabilities of Subscriber B and the Company under Subscription Agreement B shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the terms thereof.

Completion

Completion of Subscription B shall take place at 5:00 p.m. on a date within five Business Days (or such other date and time as may be agreed by the Company and Subscriber B) after the satisfaction of the condition precedent of Subscription Agreement B.

GENERAL MANDATE

Pursuant to the General Mandate granted to the Directors at the AGM, the total number of new Shares that the Company is authorised to allot and issue is 344,638,604 Shares, representing approximately 20% of the entire issued share capital of the Company as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, 23,555,000 new Shares has been allotted and issued by the Company under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares, and the issue of the Subscription Shares will not be subject to further approval by the Shareholders.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in the trading of beauty equipment and products and research, development and commercialisation of the oral insulin products.

Subject to completion of the Subscriptions, the gross proceeds and net proceeds (after deducting all the relevant costs and expenses) from the issue of the Subscription Shares will be approximately HK\$28,080,000 and approximately HK\$27,780,000, respectively. The Company intends to use such net proceeds for the general working capital of the Group.

The Directors consider that the raising of funds by the issue of the Subscription Shares is justifiable taking into account the recent market conditions which represent an opportunity for the Group to strengthen its capital base and financial position. The Directors consider that the issue of the Subscription Shares is an appropriate means of raising additional capital since the Subscription Prices are at a discount to the market price as set out above, which was arrived at after arm's length negotiations between the Company and the Subscribers, respectively.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreements and the transactions contemplated thereunder, including the Subscription Prices, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below set out the shareholding structure of the Company as a result of the completion of the Subscriptions (assuming there being no other change in the share capital and shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately upon completion of the Subscriptions):

Shareholders	As at the date of this announcement		Immediately upon completion of the Subscriptions	
	Number of Shares	Approx. % of shareholding	Number of Shares	Approx. % of shareholding
<i>Director</i>				
Mr. Tang Rong	396,200	0.02%	396,200	0.02%
<i>Substantial shareholders</i>				
Dr. Mao Yumin	369,909,900	18.55%	369,909,900	17.75%
China United Gene Investment Holdings Limited (<i>Note 1</i>)	7,770,810	0.39%	7,770,810	0.37%
JNJ Investments Limited (<i>Note 2</i>)	55,000,000	2.76%	55,000,000	2.64%
Mr. Chau Yiu Ting	333,799,900	16.73%	333,799,900	16.02%
Subscriber A	2,795,000	0.14%	62,795,000	3.01%
Subscriber B	—	—	30,000,000	1.44%
Public Shareholders	1,224,600,964	61.41%	1,224,600,964	58.75%
Total	<u>1,994,272,774</u>	<u>100%</u>	<u>2,084,272,774</u>	<u>100%</u>

Notes:

- China United Gene Investment Holdings Limited is owned as to 60.0% by Best Champion Holdings Limited. Best Champion Holdings Limited is owned as to 33.5%, 33.5% and 33.0% by United Gene Holdings Limited, Ease Gold Investments Limited and Victory Trend Limited, respectively. United Gene Holdings Limited is wholly owned by Dr. Mao Yumin. Ease Gold Investments Limited is wholly owned by Dr. Xie Yi. Victory Trend Limited is wholly owned by Good Links Limited, which is in turn owned as to 50% by Dr. Mao Yumin and as to 50% by Dr. Xie Yi.
- JNJ Investments Limited is a wholly-owned subsidiary of Blowindow Gene Development (Hong Kong) Limited, which in turn is a wholly-owned subsidiary of United Gene Group Limited, which is owned as to 33% by United Gene Holdings Limited. United Gene Holdings Limited is wholly owned by Dr. Mao Yumin.
- Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save for disclosed as follows, the Company has not carried out any equity fund raising activities during the past 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
29 May 2025	The placing of 23,555,000 Shares under the General Mandate pursuant to the placing agreement dated 29 May 2025, which was completed on 23 June 2025	HK\$4,000,000	General working capital of the Group	General working capital of the Group
30 May 2025	The subscription of 137,600,000 Shares under General Mandate by Erick Wong as the subscriber for HK\$0.176 per subscription share pursuant to the subscription agreement dated 30 May 2025, which has been terminated as at the date of this announcement	N/A	General working capital of the Group	N/A

Completion is subject to fulfillment of the conditions precedent under the Subscription Agreements as set out in this announcement. Accordingly, the Subscriptions may or may not proceed. Holders of securities of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this announcement shall have the following meaning:

“AGM”	the annual general meeting of the Company held on 29 August 2024 whereby the resolution of the Shareholders was passed granting the General Mandate to the Directors
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Innovative Pharmaceutical Biotech Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 0399)
“Completion”	completion of the Subscriptions in accordance with the terms and conditions of the Subscription Agreements
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot and issue up to 344,638,604 Shares (representing approximately 20% of the share capital of the Company in issue on the date of the annual general meeting) by the Shareholders at the AGM

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Subscriber A and Subscriber B
“Subscriber A”	Zhang Biaobing, save as being a Shareholder holding as to approximately 0.14% of the entire issued share capital of the Company as at the day of this announcement and an Independent Third Party
“Subscriber B”	Chen Jing and an Independent Third Party
“Subscriptions”	collectively, Subscription A and Subscription B
“Subscription A”	the subscription of Subscription Shares A pursuant to the terms and conditions of Subscription Agreement A
“Subscription B”	the subscription of Subscription Shares B pursuant to the terms and conditions of Subscription Agreement B

“Subscription Agreements”	collectively, Subscription Agreement A and Subscription Agreement B
“Subscription Agreement A”	the conditional subscription agreement dated 15 July 2025 and entered into between the Company and Subscriber A in relation to the subscription of Subscription Shares A
“Subscription Agreement B”	the conditional subscription agreement dated 15 July 2025 and entered into between the Company and Subscriber B in relation to the subscription of Subscription Shares B
“Subscription Prices”	collectively, Subscription Price A and Subscription Price B
“Subscription Price A”	HK\$0.312 per Subscription Share A
“Subscription Price B”	HK\$0.312 per Subscription Share B
“Subscription Shares A”	60,000,000 Shares to be subscribed by Subscriber A pursuant to Subscription Agreement A
“Subscription Shares B”	30,000,000 Shares to be subscribed by Subscriber B pursuant to Subscription Agreement B
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Innovative Pharmaceutical Biotech Limited
Yeung Yung
Chairman

Hong Kong, 15 July 2025

As at the date of this announcement, the Board comprises Dr. Yeung Yung (Chairman and executive Director), Mr. Gao Yuan Xing (executive Director), Mr. Tang Rong (executive Director), Ms. Qi Shujuan (executive Director), Dr. Long Fan (executive Director), Dr. Wu Ming (executive Director), Mr. Zhang Shen (executive Director), Mr. Zhang Yi (non-executive Director), Ms. Chen Weijun (independent non-executive Director), Mr. Wang Rongliang (independent non-executive Director), Mr. Chen Jinzhong (independent non-executive Director), Dr. Xia Tingkan, Tim (independent non-executive Director), and Ms. Sun Sizheng (independent non-executive Director).

Please also refer to the published version of this announcement on the Company’s website: www.ipb.asia and www.irasia.com/listco/hk/ipb.